

# **EXHIBIT B**

UNITED STATES DISTRICT COURT  
EASTERN DISTRICT OF WISCONSIN  
GREEN BAY DIVISION

STARCHA SPORRER,

Plaintiff,

-VS-

Case No.: 1:22-cv-01110-WCG

JOSEPH DULAK and KEEKO, LLC,

Defendants.

DEPOSITION OF: JOSEPH S. DULAK

DATE: July 11, 2023

TIME: 11:59 a.m. - 1:59 p.m.

LOCATION: JOHNSON & WILSON LAW S.C.  
1745 Stephenson Street  
Marinette, Wisconsin

**REPORTED BY:**

CARRIE S. BOHRER, RPR, RMR, CRR  
CARRIE BOHRER REPORTING, LLC  
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920-606-3046

	Page 2	Page 4
1	A P P E A R A N C E S	
2		
3	JOHNSON & WILSON LAW S.C., by NATHANIEL A. JOHNSON, Attorney at Law 1745 Stephenson Street 4 Marinette, Wisconsin 54143 715-735-6671 5 nathaniel@johnsonwilsonlaw.com appeared on behalf of the Plaintiff	1 TRANSCRIPT OF PROCEEDINGS 2 (Exhibit 8, 10, and 11 marked for 3 identification.)
6		4 JOSEPH S. DULAK, called as a witness 5 herein, having been first duly sworn/affirmed, 6 was examined and testified as follows:
7	DYKEMA GOSSETT PLLC, by JAMES F. HERMON, Attorney at Law 8 400 Renaissance Center Detroit, Michigan 48243 9 313-568-6540 jhermon@dykema.com 10 appeared on behalf of the Defendants	7 MR. HERMON: Before we go on the 8 record with questions, we did have a discussion 9 about the videotaping of the deposition, as the 10 deposition was noticed only stenographically and 11 not for video deposition, and that agreement is 12 that the video will be permitted and -- with the 13 understanding that it will not be used or filed 14 in any document with the court and that I get a 15 copy of it when the deposition is concluded.
11	Also Present: Starcha Sporrer, Plaintiff	16 Correct?
12	* * * * *	17 MR. JOHNSON: Correct. Agreed. 18 We'll provide it on a thumb drive to you --
13		19 MR. HERMON: That's fine. 20 MR. JOHNSON: -- to be used.
14		21 Okay. This is a deposition of Joseph Dulak 22 in a lawsuit by Starcha Sporrer against Mr. Dulak 23 and Keeko, LLC. It is currently pending in the 24 U.S. District Court for the Eastern District of 25 Wisconsin, Green Bay Division. It's being
	Page 3	Page 5
1	I N D E X	
2	EXAMINATION BY: PAGE	
3	Mr. Johnson ..... 5	1 conducted at the law offices of Johnson & Wilson 2 in Marinette, Wisconsin, on July 11th, 2023.
4		3 Present in the room are the deponent, 4 Mr. Dulak; the plaintiff, Ms. Sporrer; along 5 with counsel for both of them; and the court 6 reporter.
5	EXHIBITS MARKED: PAGE ID'D	7 EXAMINATION
6	Exhibit 8 Defendants' Initial Disclosures Pursuant to Fed. R. Civ. P. 26 ... 4	8 BY MR. JOHNSON: 9 Q Good morning, Mr. Dulak.
7	Exhibit 10 7/6/20 email to Starcha from Joe Dulak and Lease and Option to Purchase ..... 37	10 A Good morning.
8	Exhibit 11 Text message exchange between Ms. Sporrer and Mr. Dulak ..... 59	11 Q How are you? 12 A Very good.
9		13 Q So now we're afternoon. We got one minute. 14 MR. HERMON: 8 seconds, but yeah.
10	Exhibit 12 Letter addressed to Starcha James ..... 66 (Original exhibits were attached to original transcript; copies to transcript copies.)	15 Q As you know, I'm the attorney representing Ms. Sporrer in a lawsuit that makes several allegations of sexual harassment amongst other issues related to a lease, an option to purchase. You've been participating in this lawsuit since the beginning. And today we're going to be asking you questions related to it. Now, I'm going to go over the rules, and I know you were present for Anita's deposition prior to this, and the rules will be the same. But as a formality I want to remind you to make sure that
11		16
12		17
13		18
14	REQUESTED INFORMATION: PAGE	19
15	NONE	20
16		21
17		22
18	(Original transcript filed with Attorney Johnson.)	23
19		24
20		25
21		
22		
23		
24		
25		



Page 10		Page 12	
1	State Wide over something related to a septic system?	1	does that date in specific stand out to you?
2		2	<b>A</b> Something stands out where -- it was a date that stands out because something -- some paperwork was filed with the State.
3	<b>A</b> Correct.	3	
4	<b>Q</b> And are you aware of any other lawsuits in the last ten years with State Wide involvement?	4	
5	Excluding this one, of course.	5	<b>Q</b> Do you know what paperwork that was?
6		6	<b>A</b> I don't recall. I believe in October something -- somewhere I seen something
7	<b>A</b> No. Not that I can recall, no.	7	October 18th. I don't remember what it is. But
8	<b>Q</b> Are you aware of any administrative proceeding or complaint that any person involved with State Wide, and what I mean by that is any independent contractor, employee, or owner of State Wide, was involved in? So that would include complaints that were filed with any state commission, such as a real estate licensing board, either in Wisconsin or Michigan, or any other agency. And I'll -- within the last ten years.	8	October -- not -- excuse me. June -- 8/18. Not October 8. The month of August. Somewhere in there.
9		9	
10		10	
11		11	
12		12	<b>Q</b> I'm a little confused. October, the month of
13		13	August?
14		14	<b>A</b> 8. The month of 8. January, February, March --
15		15	<b>Q</b> Oh. Got the month wrong.
16		16	<b>A</b> Yeah.
17		17	<b>Q</b> Okay. Thank you. Thank you for the clarity.
18		18	8/18 of '18?
19	<b>A</b> Oh, boy. I -- nothing against me personally. Perhaps with an agent or something within the office.	19	<b>A</b> I believe so.
20		20	<b>Q</b> Lot of 8s.
21	<b>Q</b> Do you recall any complaints that were filed against your agents?	21	<b>A</b> Yeah.
22		22	So when -- when Starcha started her relationship with State Wide Real Estate, can you tell me about what happened? Did she approach State Wide? Did you or someone from State Wide
23	<b>A</b> I recalled a complaint filed by Starcha against an agent in an outside company.	23	
24		24	
25	<b>Q</b> Okay. So it was filed against someone else?	25	
Page 11		Page 13	
1	<b>A</b> Correct.	1	approach her? How did that all start?
2	<b>Q</b> Any that were filed against agents that worked for State Wide?	2	<b>A</b> Previous to her requesting being licensed with State Wide as an independent contractor, on a few occasions in previous months the subject in conversation came up about her dissatisfaction where she was employed, an independent contractor of. And I informed her of the State Wide organization and our family of what we have to offer our team players as an independent contractor.
3		3	
4	<b>A</b> I don't recall. I would say no. I don't recall.	4	
5	To the best of my recollection I can't think of any.	5	
6		6	
7	<b>Q</b> Thank you. How did you first meet Starcha Sporrer?	7	
8		8	
9	<b>A</b> I -- could you please rephrase that question for me?	9	
10		10	
11	<b>Q</b> When was the first -- do you know Starcha Sporrer?	11	<b>Q</b> When you did that, did you use the term "independent contractor" as you discussed it with her?
12		12	
13	<b>A</b> Yes.	13	
14	<b>Q</b> How did you meet her?	14	<b>A</b> Every real estate agent that holds a license knows they are an independent contractor. It's just the way the industry works.
15	<b>A</b> Many years ago. I'm not sure when, but many years ago.	15	
16		16	
17	<b>Q</b> Was it through a professional contact, a personal contact, out in the community? Do you recall at all?	17	So I'll represent to you that I have a real estate license and a broker's license, and though I agree with you that the industry works that way, that's not always the standard. There are some real estate agents who are employees.
18		18	
19		19	Have you ever had a real estate agent who was an employee?
20	<b>A</b> Likely through some real estate capacity.	20	
21	<b>Q</b> Okay. And at what point did she become involved with State Wide Real Estate?	21	
22		22	
23	<b>A</b> I believe it was October 18th of 2018. Not sure of the year.	23	
24		24	
25	<b>Q</b> But you're sure of the date October 18th. Why	25	<b>A</b> No.
			<b>Q</b> Are you aware of any firms that do?



		Page 14			Page 16
1	A	I'm not sure what other firms do.	1	Q	And what are those benefits and things that you could offer that the other firm could not?
2	Q	Okay. You said that she was working somewhere that -- she being Starcha was working somewhere else when you discussed the benefits that State Wide may have for her. Do you know where she was working at that time?	2	A	I could offer her many more leads because I know a lot of people, and I filter the leads to the team members in my organization. I also offer my family team, I treat them like family, and consider loans to give them to help them out in difficult times. Could you repeat your question again?
3			3	Q	
4			4	A	
5			5		
6			6		
7	A	Place Perfect Real Estate.	7		
8	Q	And when you had that discussion after you described what State Wide could do, at what point did she start working for State Wide?	8		
9			9		
10			10	Q	What the benefits are that you could offer that other firms could not. And so far you've listed filtering leads and loans when people are in difficult times.
11	A	I would have to guess. I'm not sure.	11		
12	Q	Can you give me a ballpark?	12		
13	A	Ballpark?	13		
14	Q	Um-hmm.	14	A	Provide her a quality service of a truly concerned professional broker that has been in business for 40 years, give her an opportunity to learn and grow, and treat her fairly and equitably.
15	A	Ballpark -- your question again?	15		
16	Q	When she started working with State Wide.	16		
17	A	Two -- three months maybe. Guessing.	17		
18	Q	After that conversation? Is that what you're saying two, three months? I'm not sure what the two, three months means. I just want a little bit of clarification.	18		
19			19	Q	What was your first impression of Ms. Sporrer when you first met her?
20			20		
21			21	A	Green.
22	A	I'm -- I'm guessing. I really don't recall.	22	Q	So by green do you mean --
23	Q	Somewhere near that conversation? Is that what you're saying when you say two, three months?	23	A	But had a lot of potential.
24			24	Q	So by green do you mean inexperienced?
25	A	Well, there perhaps were more than one	25	A	She had some rough edges. And green but
		Page 15			Page 17
1		conversation.	1		potential.
2	Q	Okay. So you had conversations with her, and at some point she started working for State Wide, correct?	2	Q	When she began working with State Wide, did you have her sign an independent contractor agreement?
3			3		
4			4		
5	A	Correct.	5	A	I don't believe initially.
6	Q	Okay. And you're not sure exactly when that was?	6	Q	Why not?
7	A	What, the dates of the conversations?	7	A	If I recall, out of the blue one day she calls and said, I'm ready to make the move; I want to do it now. (Nonword sound.) Whether it was late in the day or a weekend, I don't recall. I believe my secretary was out of town, and there are forms that are required to be filled out and signed by both the broker and the agent relative to license transfer. It was calling my secretary to get everything ready and put it together and just did not get to that part of it.
8	Q	No, when she started working for State Wide.	8		
9	A	August of '18.	9		
10	Q	Is when she started working for State Wide?	10		
11	A	I believe, yeah. I mean, the dates get confusing after four, five years, obviously.	11		
12			12		
13	Q	Were you the one that hired her?	13		
14	A	I'm not sure of the word "hired her," but am I the one that allowed her to join the State Wide team? Yes.	14		
15			15		
16			16		
17	Q	Okay. Why? Why did you allow her to join the State Wide team?	17	Q	Who's your secretary?
18			18	A	Anita Anderson.
19	A	I thought she had a lot of potential, I have a lot of experience as a broker, I thought I could supervise her, mentor her, be a good broker for her, allow her to be a member of a good State Wide team, offer her things the other broker couldn't, and had many benefits that the other brokerage firm did not offer.	19	Q	And was she an employee?
20			20	A	No.
21			21	Q	Are you familiar with the laws regarding who can and cannot be an independent contractor?
22			22		
23			23	A	I'm not an expert in that.
24			24	Q	I just asked if you were familiar with the laws. I didn't ask if you were an expert. Have you
25			25		



		Page 22	Page 24
1	A	<b>Yeah.</b>	1 know is did you instruct anyone to create that lease?
2	Q	Are you the boss?	2
3	A	<b>Yes.</b>	3 <b>This lease is a form agreement to which there is fill-in-the-blanks.</b>
4	Q	Okay. In your capacity as the boss of State Wide, are you aware of any complaints filed by any of your independent contractors -- now, when I say filed, it doesn't have to be in writing, just brought up, a complaint about harassment in the family, as you've termed it, at State Wide.	4 And where did that form come from originally?
5			5
6			6 <b>It's been around for many years. I did not</b>
7			7 <b>create this form. This form I believe was</b>
8			8 <b>created from my understanding by a local</b>
9			9 <b>attorney and used by somebody else, and I</b>
10	A	<b>No.</b>	10 <b>received a copy of it and just started using a pre-made form.</b>
11	Q	So no one's ever complained that they felt uncomfortable at any given circumstance at State Wide?	11
12			12 Q
13			13 The original copy that you received, were there blanks in the copy to fill in?
14	A	<b>No.</b>	14 A <b>Yes.</b>
15	Q	What would you describe the culture at State Wide like? The corporate culture if I can use a term that's more commonly used.	15 Q Do you know who you believe the attorney to have been that created that document?
16			16
17			17 A <b>Not sure which attorney.</b>
18	A	<b>Open, friendly, family, work together professionally, have fun, --</b>	18 Q So let's back up a little bit and talk about the house. So the house that is leased under that agreement, which -- are you aware of the address of that property?
19			19
20	Q	Does that --	20
21	A	<b>-- enjoy your job.</b>	21
22	Q	Let's talk a little bit about what I'm going to hand you, which is Exhibit 2. Are you aware of what that document is?	22 A <b>Yes.</b>
23			23 Q And what is that address?
24			24 A <b>N2360 Rivers Edge Drive.</b>
25	A	<b>Yes.</b>	25 Q Okay. Do you know how Keeko came about to own
		Page 23	Page 25
1	Q	And what is that document?	1 that property?
2	A	<b>It says Lease and Option to Purchase Agreement.</b>	2 A <b>Yes.</b>
3	Q	And how are you aware of that document?	3 Q Can you tell me about that?
4	A	<b>This document was in files at my State Wide office, the format of this document.</b>	4 A <b>Starcha called me one day. She was all excited.</b>
5			5 She said she showed a property to some people,
6	Q	When you say the format of that document, are you referring to some type of a form document?	6 and she thought the house is just fantastic, it
7			7 would be great for her and her family, and in
8	A	<b>Correct.</b>	8 the worst way she thought it would be an ideal
9	Q	Do you know why that document that's before you was produced? Why that document before you was produced?	9 house for her and her family, and she said this
10			10 house will not last on the market, she said she's
11			11 in no position to buy it at that point in time,
12	A	<b>I guess I don't understand the question.</b>	12 she asked if somehow I could get involved to
13	Q	All right. So we know that this lawsuit's about the lease and option that's between Keeko, LLC, that's part of the lawsuit, and Ms. Sporrer.	13 facilitate this.
14			14 Q The purchase of the property?
15			15 A <b>Correct. And she said this house won't last, and she needed answers extremely quick. I of course was concerned about her fiduciary.</b>
16			16
17	A	<b>Correct? You're aware of that? Is that true?</b>	17
18	Q	Okay. So what I want to find out is your involvement in that whole deal. The purchase of the property, the execution of the lease and option, and the management of Keeko. So my questions are all related to understand what your role in this whole process was. Fair enough?	18 Q Can you describe what you mean by being concerned about her fiduciary?
19			19
20			20 A <b>Yes. Okay. Her fiduciary responsibility to the person she showed the house to. If she was a buyer's agent, she had to watch herself to expose herself from the liability to interject herself into the equation. I did not want to see a situation that would expose a fiduciary breach,</b>
21			21
22			22
23			23
24	A	<b>Yes.</b>	24
25	Q	So given that understanding, what I'd like to	25

Page 26			Page 28		
1	because she already was reprimanded by the State		1	A	Wrote -- an offer was written on the property, I
2	one time for that, and I didn't want that to		2		believe it was listed for 169,900, I think,
3	happen again.		3		something like that. Offered I believe it was
4	Q So as you're a supervising broker, what did you		4		140.
5	do to protect your independent contractor?		5	Q	And was that offer written in your name?
6	A I told her, Are you a buyer's agent? Because		6	A	Keeko.
7	you would be in trouble with your fiduciary if		7	Q	Okay. Are you a member of Keeko?
8	this was pursued. She said she was a seller's		8	A	No.
9	agent. I said, Good.		9	Q	So Starcha asked you if you could purchase this
10	Q So let's go back to the purchase of the house.		10		home for her in some manner; you wrote an offer
11	She called you, she really wanted the house,		11		for an LLC, that was not your LLC, to purchase
12	asked you what you could do to help, and it was		12		the home?
13	a quick timeline. So let's continue down that		13	A	Correct.
14	story. What happened next?		14	Q	Did Starcha know that you were doing that through
15	A I told her I might consider it and don't act		15		an LLC that was not your LLC?
16	extremely spontaneously because spontaneous		16	A	Yes.
17	decisions get you in trouble.		17	Q	Did you tell her?
18	Q So what were you considering? Buying the house		18	A	Yes.
19	for her? Financing it for her?		19	Q	And who are the members of Keeko, LLC?
20	A Acting in some capacity to secure the property,		20	A	Joseph -- Joseph Dulak. Joseph M.
21	and she could explain what she wanted to do to		21	Q	Is he the sole member?
22	make the transaction happen.		22	A	I believe so. I'm not sure.
23	Q And did she do that? Did she explain what she		23	Q	How did you obtain the authority to bind the
24	could do to make the transaction happen?		24		LLC?
25	A She explained. She said, I have this house I		25	A	I'm -- I'm authorized on behalf of Keeko.
Page 27			Page 29		
1	can sell, and I can pay this and do that, but in		1	Q	Do you have a written agreement with Keeko?
2	the meantime I need to secure this house quickly		2	A	Yes.
3	with a cash offer, and -- and she went over what		3	Q	And what does that written agreement say?
4	she had to expend on the house and what she		4	A	I don't know.
5	thought it was worth. I mean, she -- she was		5	Q	In terms. Broad terms. What does it -- what
6	very persistent. And I prefer to talk on the		6		does it grant you?
7	phone, because there's more dialogue in a phone		7		MR. HERMON: Objection. Best
8	conversation than there is with texting. So she		8		evidence rule. Go ahead and answer if you know.
9	would text and she'd -- something about how much		9	A	I really don't know.
10	she was going to spend on it and what it would		10	Q	But there is some document out there?
11	be worth, the \$12,000 she spends on it, it's		11	A	Oh, yes.
12	worth -- and I said, You're optimistic on these		12	Q	Okay. And are you the registered agent for
13	numbers that you're thinking, and are you sure		13		Keeko, LLC?
14	you really want this? And she said, Here's --		14	A	I -- I don't know. I may be. I don't know.
15	here's what I can do, I can pay you off within a		15	Q	Do you believe that a registered agent should
16	year, six months, a year absolutely max, and I		16		know if they're a registered agent?
17	can pay you a thousand dollars a month, and		17	A	There's many different legal terms to whatever
18	blah, blah, blah, blah, blah; can you somehow		18		this is, and I'm not an attorney. I know that
19	get involved to make this happen for me, but you		19		attorneys prepared these entities for me and the
20	have to act quick?		20		appropriate documents necessary. Exactly what
21	I repeated, I do not like making quick		21		they all say I don't know.
22	movements and for her to seriously consider this.		22	Q	Did an attorney prepare the documents for Keeko,
23	She was persistently texting me and -- and I just		23		LLC?
24	moved it forward.		24	A	Absolutely.
25	Q What do you mean by moved it forward?		25	Q	And who was that attorney?



	Page 30	Page 32
1 A	I would have to look back. Not sure.	1 Rivers Edge property?
2 Q	You're not sure. Was it a Wisconsin or a Michigan attorney?	2 A Repeat that, please.
3		3 Q Did you instruct Anita Anderson to fill in the blank on the form that resulted in becoming
4 A	I'm not sure.	4 Exhibit 2 in front of you, with the terms for
5 Q	Do you know who contacted the attorney to set up Keeko?	5 this deal, with Starcha, with Keeko, with the rental payments, did you instruct her to do
6		6 that?
7 A	Both Joe and I discussed it, and we agreed that an attorney should prepare appropriate documentation.	7 A I instructed her to give me a copy of this agreement.
8		8 Q As completed?
9		9 A No.
10 Q	Do you remember when that was?	10 Q Blank?
11 A	I don't remember.	11 A Well, just with all of it except the name of the person and the address of the property and --
12 Q	Do you know what year Keeko was formed?	12 Q you know, they just -- just -- so this form was given to me and it -- parts were blank, and I put the address, the -- the amount, and the down payment, and what the monthly payments are, and then I filled in the blanks and then gave it to Anita.
13 A	I really don't. I really don't.	13 Q And then what did -- are you aware of what Anita did with it after you gave it to her?
14 Q	Is it very old?	14 A Well, obviously typed -- just filled in the blanks.
15 A	What do you mean by old?	15 Q
16 Q	Is it ten years old?	16 Q
17 A	Good guess.	17 Q
18 Q	Or more?	18 Q
19 A	Somewhere in that area.	19 Q
20 Q	Somewhere --	20 Q
21 A	Somewhere in that area.	21 Q
22 Q	What was the purpose of Keeko? Why did you form it?	22 Q
23		23 Q
24 A	Real estate investment company.	24 A
25 Q	So that real estate investment company existed	25 Q
	Page 31	Page 33
1	prior to Starcha approaching you about the purchase of the Rivers Drive property?	1 Q So you handwrote on it, gave it to her, and she took those handwritings and turned it into type on I assume a computer or a typewriter; is that accurate?
2		2 Q
3 A	Many, many, many years.	3 A Yes.
4 Q	And did Keeko at that time own other properties?	4 Q Prior to you doing that -- well, let me ask you this. Let me strike that.
5 A	I'm not sure. I would think -- I think so.	5 Q When you completed that form, had you purchased the property already? Had Keeko purchased the property already?
6 Q	Okay. In the past had Keeko ever used that form lease for any of the other properties it owned?	6 Q
7		7 A No.
8 A	I'm not sure if Keeko used it, but other entities used this form.	8 Q So you prepared a lease for a property that was not purchased; is that correct?
9		9 A It had an accepted offer.
10 Q	Entities that are owned by you?	10 Q So it was an accepted offer. Do you know what date that offer closed?
11 A	Perhaps.	11 A The offer closed?
12 Q	Well, either they were or they were not.	12 Q Um-hmm. What date was the property purchased, the transaction closed?
13 A	I'm not sure.	13 A
14 Q	Did any entities owned or controlled by you use that form?	14 A I believe what had happened, in sequence, is once the offer was accepted, I texted Starcha and I told her to call me.
15		15 Q
16 A	Yes.	16 Q And do you know that date?
17 Q	Do you know which ones?	17 A 5/14, I believe. I believe it was May 14th.
18 A	Not by recollection.	18 Q
19 Q	But you do know that it was used?	19 Q Is when you believe the offer was accepted?
20 A	Yes.	20 Q
21 Q	Let's fast-forward back to the very document in front of you, Exhibit 2, as it's completed. Did you instruct Anita Anderson to fill in the blanks on the form as -- as you've stated it was, with terms related to the purchase and lease of the	21 Q
22		22 Q
23		23 Q
24		24 Q
25		25 Q



	Page 34	Page 36
1 A	Correct. And I called Starcha -- I texted her. I said, Call me.	1 previously, but I never, ever agreed to a land contract.
3 Q	Okay. And at that point, is that when you started preparing the lease and option agreement, or was that already prepared?	3 Q So the first time you mentioned the terms of this lease and option agreement were sometime after May 14th when you had an accepted offer on the property; is that accurate?
6 A	No. I talked to her and I said, Starcha, we need to be crystal clear on how this is moving forward. I want you to know that there is an accepted offer on the property. I also want you to be crystal clear as to how this will be structured. I said, What I am proposing is a lease and an option to purchase. That lease and option to purchase gives you one year to consummate the transaction. You will pay one thousand dollars a month, as rent. You are a tenant. This is not a land contract. This is a lease option. Any improvements that you make during the term of the lease, it will be all spelled out in the lease option, are improvements you're allowed to. You can also pay any amount you want previous at any time. You have to make your payments, you have to consummate this transaction for the option period, and if you don't honor your commitment on it, you are chopped liver.	7 A May have said something previous to that, but I wanted her to -- to see the entire agreement in its entirety, be comfortable with it moving forward.
25 Q	Did you use that term when you called her?	11 Q So your testimony is that on or about 5/14, shortly thereafter, you called Starcha to outline this deal. Did you fill out this lease and option agreement that same day or was it a different day? 16 A I'm not sure. 17 Q Do you know if it was relatively quick? 18 A Oh, relatively quick. Just -- 19 Q So within a week? 20 A Yes. 21 Q When did you -- did -- let me ask you. Did you send it to Starcha, the agreement, that lease option agreement? 24 A No. I said, It's at the office, stop on by. She's in and out of the office. Stop on by,
	Page 35	Page 37
1 A	Chopped liver. Yes, sir, I did. If you don't honor the terms and conditions of this contract, you're chopped liver. You will lose all your improvements, you'll lose any money you put down, and it's -- it's party over. Stick a fork in it.	1 look at it. 2 Q And that was all verbally? 3 A Correct. 4 Q At any point did you email it to her? 5 A No. She was stopping by the office. 6 Q So you did not email it to her? 7 A I don't recall. I don't recall. She's -- because she's stopping by the office. 8 Q I'm going to hand you what's been marked Exhibit 10. I'll give you a moment to look at that. 10 A (Reviewing document.) Yeah. 13 Q Can you tell me what this is when you're ready? 14 A Lease and option. 15 MR. HERMON: I'm going to enter an objection to 10 on authenticity grounds, but go ahead. There's no indication that this was an attachment to the email. 16 MR. JOHNSON: I'm asking him if he can identify it, so I'm going through that authentication. 17 MR. HERMON: Okay. Let's see if it can be authenticated. 18 MR. JOHNSON: Okay. Let's see if it can be authenticated. 19 MR. HERMON: Okay. Let's see if it can be authenticated. 20 MR. JOHNSON: Okay. Let's see if it can be authenticated. 21 MR. HERMON: Okay. Let's see if it can be authenticated. 22 MR. HERMON: Okay. Let's see if it can be authenticated. 23 MR. HERMON: Okay. Let's see if it can be authenticated. 24 A It's a Lease and Option to Purchase. 25 Q Do you see the first page where it -- I'll direct

		Page 46	Page 48
1	A	<b>Yes.</b>	
2	Q	And what were the terms of those deals and who were the agents? Let's just deal with last year.	
5	A	<b>Last year.</b>	
6	Q	We'll do last year.	
7	A	<b>Okay.</b>	
8	Q	So '22.	
9	A	<b>John Christopherson, 16,000.</b>	
10	Q	And did he pay that back?	
11	A	<b>Yes.</b>	
12	Q	Who else?	
13	A	<b>Brandie Gromala, \$30 -- 30-some thousand.</b>	
14	Q	And did she pay that back?	
15	A	<b>Yes.</b>	
16	Q	Okay.	
17	A	<b>Also another one to friends and family -- yeah, I would -- 63,000 paid back.</b>	
19	Q	To who? I didn't catch the name.	
20	A	<b>Brandie Gromala, I believe.</b>	
21	Q	63,000?	
22	A	<b>I believe so. I'm not sure of the dollar amount.</b>	
23	Q	So would it be safe to say that it was a similar pattern in prior years? Maybe not the same agents but agents would come to you and borrow	
25			
		Page 47	Page 49
1		money and typically --	
2	A	<b>Yes.</b>	
3	Q	-- you'd be paid out of commissions --	
4	A	<b>Yes.</b>	
5	Q	-- or something similar?	
6	A	<b>(Nods head up and down.)</b>	
7	Q	Okay. So you were in here for Anita Anderson's deposition, and in her deposition she testified and she was asked questions about amounts that were withheld or at least allegedly withheld out of Starcha's paycheck. Are you familiar with the commission checks that your agents receive? Is that something that you would review as part of your job?	
15	A	<b>Yes.</b>	
16	Q	Are you familiar with Starcha's checks?	
17	A	<b>Not all of them.</b>	
18	Q	I'll hand you Exhibit 3. Right there. And on Exhibit 3, as you heard Anita testify that she produced this document. And it is the rental payments that were applied under the lease and option agreement. Do you recall that testimony?	
23	A	<b>Yes.</b>	
24	Q	Okay. Are you familiar with these checks and payments on here?	
25			

		Page 50	Page 52
1	Q	Did you give her a bonus at the end of the year?	1 from Starcha. I said if she has a problem --
2	A	There were years I gave her a bonus, yes.	2 talk to her. If she has a problem, have her call
3	Q	Did that bonus -- or was that bonus the same	3 me. But I'd like my independent contractor; it's
4		amount as what was taken out for a franchise fee?	4 been long enough, waiting, and asking for it.
5	A	No.	5 And I said, Please work on that. And I went on
6	Q	How did you come to the number of the bonus?	6 to something else.
7	A	In our discussions previous to her becoming an	7 Q So you didn't tell her to not issue the checks?
8		independent contractor, within our agreement, she	8 Because you just testified she had already
9		wanted more than the 75 percent of the net. I	9 written them out.
10		explained to her it's difficult to have a company	10 A She had a stack of checks. I didn't even
11		to be paying out those dollar amounts and be	11 know -- there's stuff in there like -- a stack
12		operationally profitable. I said provided -- I	12 like that (indicating). When checks are signed
13		said I will -- if the following occurred, I will	13 or -- signed and --
14		give you a bonus: If the company has a good	14 Q Do you sign the checks or does she?
15		year; my company is operationally profitable; if	15 A I sign the checks.
16		you -- good, loyal, team-playing individual,	16 Q So she prepares a stack of checks, you look them
17		family member of the State Wide organization; I	17 over and sign them and then I assume she sends
18		don't have to spend extensive time mentoring you	18 them out, correct?
19		or babysitting your transactions; if I don't get	19 A That is correct.
20		sued for any action on your behalf; if it's a	20 Q Did you tell her not to give Starcha her checks
21		great year and everything is good and everything	21 until Starcha returned the independent contractor
22		goes well, I may be able to pay you a bonus equal	22 agreement?
23		to 5 percent of your net sales.	23 A I don't believe I necessarily put it that way.
24	Q	And that was all a discussion prior to her	24 I -- I don't recall. I said, What's the problem?
25		becoming an independent contractor?	25 How come? Wait for Starcha again? What's the
		Page 51	Page 53
1	A	Correct.	1 problem? Have her call me if there's a problem.
2	Q	So prior to 2018?	2 Q So you're not sure exactly what you said, but is
3	A	Correct.	3 it true that she didn't get her checks until she
4	Q	During Anita's deposition we had some text	4 signed the agreement?
5		messages which Anita stated in her conversation	5 A No. No. She would have got her check, I think,
6		with Starcha that she had to get authorization	6 irrespective of that. I just wanted to have the
7		from you to cut the checks and that -- you heard	7 contractor agreement back or have Starcha call
8		her testimony is that you didn't want any -- you	8 me to see what the problem is, which she never
9		wanted her to stop doing what she was doing and	9 did.
10		get the independent contractors. And she	10 Q So --
11		happened to be writing commission checks at the	11 A And I was unaware of anything.
12		time. Is that accurate testimony?	12 Q At this point you're -- Starcha had been there
13	A	As I recall, from a procedural thing, all agents	13 for a year, and maybe you could help me
14		received their independent contractor agreements.	14 understand why it was so urgent to have a signed
15		Some of them came back immediately. Some of them	15 independent contractor agreement at that very
16		you had to remind people. Periodically I would	16 moment when she had been there for a full year.
17		ask Anita, How's everything coming in? Yeah,	17 A Just office policy. Everybody get them back.
18		well, this one -- they all came back -- John, is	18 What's the problem? Everybody --
19		what he says. Who else? Starcha. Well, typical	19 Q Did you issue new ones to everybody?
20		to wait for Starcha, but okay.	20 A Yes.
21		I don't know if it was a weekend or I was	21 Q Okay. All your agents received new independent
22		going out of town, and she had written checks,	22 contractor agreements. Was that in the fall of
23		and I said, Is everything taken care of? I	23 '19?
24		said, Darn it, see -- get that from Starcha;	24 A I believe so.
25		what's the problem? And I never heard anything	25 Q Okay. Why did you send everybody new agreements?

	Page 66	Page 68
1 Q	It's not there anymore.	1 would have normally made you want to get it in writing?
2 A	<b>Oh. I -- I don't remember. I don't remember.</b>	2
3	MR. JOHNSON: Let's take a --	3 A I'm trying to think of the ones that I did. Just depends on the circumstance, what --
4	actually, one more question, then we'll take a	4
5	break.	5 Q Would you charge -- I'm sorry. Were you saying something?
6	(Exhibit 12 marked for identification.)	6
7 Q	Number 12, have you ever seen either side of this document?	7 A (Shakes head from side to side.)
8		8 Q Would you charge the same interest rate on all the loans or did that change?
9 A	<b>No.</b>	9
10 Q	Is this handwriting similar to your handwriting?	10 A <b>No. Varied. Sometimes nothing.</b>
11 A	<b>Not at all.</b>	11 Q So sometimes you wouldn't charge interest?
12 Q	Other than in this lawsuit, it's your testimony you've never seen or witnessed this letter?	12 A <b>Correct.</b>
13		13 Q What would make one loan have interest and one loan not? What were the factors you would consider?
14 A	<b>Nothing to do with this. Absolutely nothing to do with this.</b>	14
15		15
16	MR. JOHNSON: Okay. All right.	16 A <b>Just given the situation.</b>
17	We'll take a -- why don't we take a ten-minute	17 Q Do you remember, did you charge Starcha interest?
18	break.	18 A I don't specifically recall. Nominal at best, not --
19	<b>THE WITNESS: Okay.</b>	19
20	MR. JOHNSON: We can go off the record. Thank you.	20 Q When you say nominal, are you referring to like the minimum imputed interest rate or something like that?
21		21
22	(Recess held.)	22
23	MR. JOHNSON: All right. We can go back on the record.	23 A This was similar to loaning a family member money.
24		24
25 Q	We were discussing loans that you had given to	25 Q Would you talk about the repayment terms? So
	Page 67	Page 69
1	independent contractors that work for you. Were there agreed payment terms for each of these loans?	1 were there expectations on when it would be repaid and how?
2		2
3		3 A Everything's clearly understood from a repayment perspective, yes, before it's consummated, yes.
4 A	<b>Yes, we agreed.</b>	4
5 Q	And were those verbal or written agreements, typically?	5 Q And with Starcha's loans, was the agreement that you would take a certain sum out of her commission checks as she earned them?
6		6
7 A	<b>I'm not sure. Both.</b>	7
8 Q	Both? Sometimes written, sometimes verbal? Is that accurate?	8 A Well, she had made a commitment as to how it was going to be repaid.
9		9
10 A	<b>I believe so. I -- I don't recall. 100 percent.</b>	10 Q And what were those -- what was that commitment?
11 Q	Do you know which one was more common?	11 For the cash advances, not the lease and option.
12 A	<b>I -- horse apiece.</b>	12 A Her cash advances were generally you can take -- just take it out of my commission checks as they come forward.
13 Q	Would it depend on the size of the loan? For instance, a \$5,000 loan versus a \$60,000 loan, would you be more likely to get written terms on the larger loan?	13 Q Would there be a fixed amount, like take a thousand dollars per check?
14		14
15		15 Q
16		16 A Whatever was agreed upon. I -- I don't recall the specifics.
17 A	<b>Not necessarily.</b>	17 Q Did you ever take a larger amount of a commission check than you originally agreed on?
18 Q	Would it depend on the person that you're lending it to?	18 A I don't believe so.
19		19 Q
20 A	<b>Just given the situation.</b>	20 Q And you don't recall what the specific amounts that you agreed to take were?
21 Q	So you would just take it case by case and shoot from the hip? Is that kind of what I'm hearing?	21 A I don't recall.
22		22 Q
23 A	<b>Not shoot from the hip. Just have a good understanding.</b>	23 Q Do you keep a record of these things?
24		24 Q
25 Q	Okay. Was there any specific circumstance which	25 Q

		Page 70	Page 72
1	A	Yes.	
2	Q	Are you willing to provide that to me?	1 STATE OF WISCONSIN ) 2 COUNTY OF BROWN ) 3 4 5 I, CARRIE S. BOHRER, a Notary Public, 6 Registered Professional Reporter, Registered Merit 7 Reporter, and Certified Realtime Reporter, in and 8 for the State of Wisconsin, do hereby certify that 9 the foregoing proceedings were taken at said time 10 and place and is a true and accurate transcript of 11 my original machine shorthand notes. 12 That the appearances were as noted 13 initially. 14 That said witness was first duly 15 sworn/affirmed to testify the truth, the whole truth 16 and nothing but the truth relative to said cause. 17 18 Dated at Green Bay, Wisconsin This 18th day of July, 2023.
11			
13	A	<b>At the advice of my counsel I will take my counsel's advice.</b>	
14			<i>Carrie Bohrer</i>
15	Q	So you're refusing to provide them?	CARRIE S. BOHRER, RPR, RMR, CRR Notary Public, State of Wisconsin My commission expires 10/30/24
16		MR. HERMON: Unless you provide --	
17	Q	You have the -- just to be clear, you have the right to refuse. I'm just clarifying that you're refusing to provide them.	
18		MR. HERMON: I'm -- we're not --	
19		we're not refusing or -- or agreeing to provide anything. We're saying there are rules in the Federal Rules of Civil Procedure you have to follow. If you want to file a request for documents, follow those rules and we'll deal	
20			
21			
22			
23			
24			
25			
		Page 71	Page 73
1		with it in due course.	1 STATE OF _____ ) 2 COUNTY OF _____ ) 3 4 I, JOSEPH S. DULAK, do hereby certify 5 that the foregoing transcript was taken of me on 6 July 11, 2023; that I have read the foregoing 7 transcript; that corrections, if any, are itemized 8 on a separate page attached hereto; that said 9 transcript is now a true and correct transcript of 10 my testimony. 11 12 _____ 13 Date _____ 14 _____ 15 _____ JOSEPH S. DULAK 16 State of _____ 17 County of _____ 18 19 This document was signed before me on 20 _____ by _____. 21 (Date) (Deponent) 22 23 _____ Seal: 24 (Notary's signature) 25 _____ (Expiration date)
2		MR. JOHNSON: There's no rule that says you cannot provide them.	
3		MR. HERMON: Sure, there is. You have to file a request.	
4		MR. JOHNSON: No, there's no rule that says that you cannot do informal discovery.	
5		MR. HERMON: Oh, sure. We can provide you whatever we wanted to. We're saying we're not going to --	
6		MR. JOHNSON: My point. So you're just saying that you refuse to do that?	
7		MR. HERMON: Right. We're not going to engage in formal discovery.	
8		MR. JOHNSON: So you're refusing on advice of counsel to engage in informal discovery and provide any further documents; is that correct?	
9			
10			
11			
12			
13			
14			
15	Q	So you're refusing on advice of counsel to engage in informal discovery and provide any further documents; is that correct?	
16			
17			
18	A	<b>Upon the advice of my counsel, yes.</b>	
19		MR. JOHNSON: All right. Thank you. I am done with my questions. Do you have any?	
20		MR. HERMON: I don't have anything. We'll reserve our right to read and sign. Thank you.	
21		(Proceedings concluded at 1:59.)	
22			
23			
24			
25			